An Exploratory Study on the Association between the International Release of Blockbuster Films and Product Placement in the Films

Goro Oba

〔Abstract〕

Many U.S. films insert existing branded products into a scene or storyline with a method generally called “product placement.” As these films are commonly released and dominate local box offices in many countries, the following question arises: Do U.S. blockbusters function as attractive platforms for brand marketers to reach a large number of international consumers? This study provides an analysis of brand exposure in 491 number-one U.S. box-office films from 2001 to 2013, along with interviews with product placement practitioners, in an attempt to examine the association between the international release of blockbuster films and product placement and the feasibility of product placement as an international brand promotion tool. The results show that certain types of film not only have a high possibility of success in the international market but also provide an opportunity for strategic placement to enhance the appeal of brands.

Keywords: Product Placement/Brand/Marketing/Film

Introduction

With increasing export of U.S. film during the 1920s, there was a slogan advocated by officials in the U.S. film industry: “Trade follows the films.” The assumption underlying the slogan was that foreign audiences for U.S. films would demand American products featured attractively in the films, as typified by automobiles, furniture, clothes, and so on (Golden, 1928; Lowry, 1925; Segrave, 2004; Trumpbour, 2002). The point is that U.S. films were expected to function not only as mere export goods themselves but also as showcases of American products to develop markets around the world. It might be true that U.S. films played a role in disseminating the American way of life typically characterized by its material wealth, but the idea that films would lead to product sales appear to be simplistic and naïve. For a number of consumers in overseas markets at that time, most American products featured in films, particularly luxury or expensive goods, might be unavailable in their local retailers or, even if available, those products were unaffordable for them.

Although the slogan "Trade follows the films" became obsolete after the 1950s, U.S. films have served as windows for a range of commercial goods to this day (Eckert, 1978; Miller et al., 2005; Segrave, 1997). Of the 34 number-one films at the U.S. box office in 2012, 397 visible or mentioned brands, an average of 11.7 brands per film, are identified (Sauer, 2013). In the meantime, many U.S. films enjoy great popularity around the world, earning a significant portion of their total revenue from international audiences. In fact, U.S. films accounted for 60–65% of total world box-office receipts in recent years (Film Festival Today, 2010; U.S. International Trade Commission, 2011). What should be emphasized here is that, as U.S. films are exported overseas, many foreign audiences for the films are also exposed to brand logos appearing visually onscreen or brand names mentioned in the dialogue of films. In the sense that these films could contribute to the promotion of real branded products in overseas markets, the idea of "Trade follows the films" seems worth reconsidering under today's circumstances.

Today, the insertion of branded products in films, TV programs, video games, and other forms of media content is called "product placement." Along with the increasing usage of product placement, academic research has been actively conducted in an attempt to explore various aspects of this growing practice. However, few studies have addressed the issue of how product placement is used in the real context where both media content and brands are increasingly expanding on an international scale. As the first step to addressing this research gap, the present study investigates product placement in number-one films at the U.S. box office from 2001 to 2013 so as to explore the association between the international release of films and product placement. Subsequently, in order to understand the rationale behind the practice and the feasibility of product placement as an international brand promotion tool, interviews are conducted with practitioners who actually plan and implement product placement. The discussion is then extended to consider today's environment where global and local brands and media content are intermingled with each other in a pluralistic way. The present study concludes with recommendations for further research, which is currently absent in this field.

Literature Review

Definition, Rationale, and Effectiveness of Product Placement

Product placement is the insertion of branded goods or services into media content. The brand names, logos, designs, and symbols used to identify particular goods or services usually appear through visual and/or audio means in product placement. Russell (1998) classifies placements by modality into the following three types: screen placements, where the brand is visually positioned as part of the set; script placements, where the brand is mentioned only verbally; and plot placements, where the brand is woven into the story more closely.

Product placement is a cooperative venture based on formal agreements between marketers and media content producers, in many cases through product placement agencies serving as the intermediary. With the establishment of specialist agencies in the mid-1980s, the nature of the placement business changed drastically, thus leading to the surge in product placement (Hudson & Hudson, 2006; Karrh et al., 2003). The existence of intermediary agencies is reminiscent of traditional forms of advertising, but product placement and advertising are different. Unlike advertising, product placement does not usually intend to directly provide viewers with factual information about the product (Russell, 1998). Rather, as Russell (1998) claims, the branded product could occasionally play an important role within the context of the story, becoming part of the plot or building the persona of a character. Due to this characteristic, product placement is considered to blur the lines between advertising and entertainment, and is thereby valued as a way to reach consumers by marketers skeptical about advertising efficacy, while also facing the growing problem of consumers' resistance toward ads (La Ferle & Edwards, 2006; Lehu & Bressoud, 2008; Williams et al., 2011).

On the other hand, a key objective behind using product placement for the content producers is cost reduction. Placement has the potential to allow producers not only to reduce production costs by obtaining props at no charge but also to impose cost-sharing for the content marketing and promotion on a brand (Chang et al., 2009; DeLorme et al., 2000; Hudson & Hudson, 2006). Note that many product placement contracts do not give rise to separate cash payment other than a fixed retainer fee paid to agencies. For instance, Budweiser products were featured in a total of 40 to 50 films each year, but the brewing company paid only in eight to 10 films per year on average (Schiller, 2005). The brand is often placed as a plop in the non-paid placement, because it simply fits the needs of a film's already existing script.

Meanwhile, it is also true that paid placement deals are continuing to climb worldwide, as product placement spending in the U.S. increased 11.4% to $4.75 billion in 2012 (PQ Media, 2012). As both Romano (2004) and Goodson (2012) report, it has slowly but steadily been adopted to make placement deals alongside creative development and have screenwriters find ways to integrate a branded product into the storyline. In this case, the branded product could take up more space on screen, remain on screen longer, and/or appear in more scenes, rather than simply being placed in the background of a scene.

The paid placement of branded products is often designed as an effective part of the integrated promotional tie-in campaign with the clear intention of influencing consumer attitudes or behaviors (Karrh, 1998; Newell et al., 2006). Yet, the measurement of the impact and effectiveness of product placement is inherently complex, and it is particularly difficult to accurately estimate the impact on sales of product placement simultaneously occurring among other marketing efforts (Promotion Marketing Association, 2006); as such, unless the product placement happened at a time that can be isolated, other efforts cannot be discounted. Indeed, rather than aimed at directly affecting sales, product placement is aimed at developing brand awareness, raising brand recall, building brand image through favorable association, generating buzz, and/or supporting the launch of a new product (Hudson & Hudson, 2006; Karrh et al., 2003; Russell & Belch, 2005).

In terms of another positive benefit for producers, the brand placed in the media content often lends verisimilitude to the content, and is therefore indispensable for the story to appear credible (Balasubramanian et al., 2006; Hudson & Hudson, 2006). In fact, brands are ubiquitous and form part of our daily life. To put it another way, it is likely that the realism of the content would be compromised with fictitious brands or fake logos.

Film Genre, Exportability, and Compatibility with Product Placement

U.S. blockbuster films – many of which are released and dominate at local box offices in many other countries – are supposedly one of the most appropriate media vehicles to promote a brand internationally, for the potential of creating brand awareness or developing favorable brand images at an international level. For large-scale marketers, worldwide reach usually requires a painstaking assembly of a number of media purchases (Cauley, 1999). However, U.S. blockbuster films, which enable them to reach consumers around the world with just one media buy, provide a cost-effective opportunity for brand exposure on a global scale (Eisend, 2009; McKechnie & Zhou, 2003).

Meanwhile, it is obvious but noteworthy that not all of U.S. blockbuster films function as a vehicle for product placement in the international market. Assumedly, the feasibility of product placement in films for an international audience is in large part contingent upon film genre, since the exportability of film – i.e., the degree to which a certain film is exported and accepted in overseas markets – and the compatibility between the film and the placement are likely to vary considerably from one genre to another. Here, "genre" refers to a set of product categories in films. Genre provides a frame of cultural reference through which films are endowed with identities and meanings, and is also subject to fluctuations in audience taste, giving rise to production trends across the film industry (Miller et al., 2005; Redfern, 2012).

The concept of genre could to some extent circumscribe the exportability of films. Craig et al. (2005) found that action, fantasy, adventure, animation, mystery, and horror all performed significantly better in foreign countries. Action and adventure films could travel well because of their limited dialogue and simple plots (Barthel-Bouchier, 2012; Lee, 2006; Straubhaar, 2003). Besides, both thriller and sci-fi films are likely to be understood easily, because the former involve the universal formula of good versus evil at the abstract level, and the latter are less rooted in specific cultural and historical traditions, as the idea of science and the scientific imagination are arguably universal in the modern world (Lee, 2006). In contrast, comedies are not always accepted well across cultural boundaries, since what is considered funny in one culture might not be funny in another (Barthel-Bouchier, 2012; Lee, 2006; Straubhaar, 2003).

The above-mentioned inferences are in large part accounted for by the "cultural discount." The cultural discount theory, which was developed by media economists to explain the competitive advantage of some cultural products over others in the international market, is also used to describe the reduction in the value of cultural products between different cultures. According to the theory, a cultural product rooted in one culture and thus attractive in that environment may diminish in appeal elsewhere, since viewers feel that it is difficult to identify with the styles, beliefs, institutions, and behavioral patterns portrayed in the product (Hoskins & McFayden, 1991; Hoskins & Mirus, 1988). How much value is lost on a cultural product varies depending on the degree of its cultural relevancy.

Presumably, it is not until brands are placed in certain genres of films with less cultural sensitivity – and thus high exportability – that they are able to reach more international consumers. However, whether or not these genres of films are appropriate for product placement is another matter. As noted earlier, a unique characteristic of placement is its ability to add realism to a film. It is hence reasonable to suppose that the relevance of placing a product in a film is dependent on the degree to which the film presents a story of people's real-life situations. The relationship between contemporary- or reality-based films and product placement would also be evidenced by the fact that the manufacturers of fast-moving consumer goods, which are an integral part of people's daily lives, are very active in product placement (Hudson & Hudson, 2006). In contrast, as Marich (2009) suggests, a film's scenario, such as historic epic, sci-fi, or fantasy, may be a difficult fit for product placement. Therefore, it can be concluded that a contemporary and real setting is the best platform for product placement.

Another important factor related to the product placement in internationally released films might be a film's production budget. Large-scale productions might not need to rely on a budget supplement from a placement but be interested in placement contracts that will bring reciprocal promotion operations to support the film's release (Lehu, 2007). Besides, a larger budget makes it possible for producers to acquire more creative inputs, such as hiring more talented staff or using more sophisticated special effects (Hoskins & McFadyen, 1991; Owen & Wildman, 1992). This could eventually boost the film's quality and exportability and become a good predictor of international box-office revenue, motivating brand marketers to place their brands in the film. It should also be noted that average production budgets vary greatly depending on genre (Barthel-Bouchier, 2012; De Vany, 2004). Figure 1 illustrates an analytical framework to assess how factors, which have been discussed thus far, are likely to exert an effect on the brand exposure in the internationally released film.

Global Brand and Product Placement

The next point which should be discussed is what type of brands is appropriate for product placement aimed at international consumers. When audiences watch a film in which some brands placed, it is unlikely for them to discern unfamiliar brands featured in the film, or understand a context or a meaning provided by the placement. As Nelson and Deshpande (2013) suggest, this holds particularly true for foreign local brands, which many consumers may be unfamiliar with and are less able to assess. In contrast, world-famous brands appear to be appropriate for internationally released films, since the visual identifiers of those brands, such as logos, designs, and symbols, are immediately recognizable to a number of international consumers regardless of cultural and language differences. Such brands are generally called "global brands." Significantly, as Wiles and Danielova (2009) assert, product placement is worth more for high-equity brands, which are typified by global brands, since those brands draw attention and lengthen the opportunity for meaning transfer.

According to Grainge (2008), the visibility of product placement since the 1980s has responded to the formalization of relations between the film business and global consumer industries. For example, in the case of the latest James Bond film "Skyfall" (2012, co-production between the U.S. and the U.K.), 72.5% of its gross revenues of over $1.1 billion came from outside the U.S. and Canada. The film featured a total of 28 brands, such as Coca-Cola Zero, Heineken, Citibank, Omega, Sony, etc., in addition to several automobile brands. These brands actually rely on country markets outside of the U.S for a certain amount of their sales. Therefore, for marketers of these brands, the film might be thought of as a fascinating international promotion tool, and hence they are presumably eager to pay a vast amount of money, supply a dozen products for free, and use clips from the film in their ad campaigns.

The problem is that marketing a standardized campaign across cultural boundaries has varying effects (De Mooij, 2010). It is probably true that some U.S. film producers take into consideration the universal appeal and cultural sensitivity of their films in an attempt to build worldwide audiences, so as to be able to recoup part of their huge production budgets (Barthel-Bouchier, 2012; Croteau & Hoynes, 2001; Miller et al., 2005). Yet, product placement in films usually transmit and reflect the important symbolic meanings and values within a particular culture (Russell, 1998). Gould et al. (2000) presume that some films may well extend across countries in both physical and meaning transfer, but the placements in them may not carry the same quantity or quality of meaning transfer. Accordingly, in a similar vein as international advertising, marketers should also be aware of the stronger misconceptions or negative feelings that a product placement might engender in one cultural setting compared with another (Gould et al., 2000).

While relatively little academic attention has been paid to the practice of product placement in the international context, a body of cross-cultural comparative research has revealed that consumers' perceptions and evaluations of product placement vary from culture to culture, depending upon the fundamental orientations, values, and ethics of a particular society (DeLorme et al., 2000; Gould et al., 2000; Karrh et al., 2001; Lee et al., 2011; McKechnie & Zhou, 2003). In these studies, respondents with different cultural backgrounds were asked to rate their attitudes toward product placement in general, in order to investigate whether or not there is a significant difference in response between different cultural groups. Nonetheless, these studies do not necessarily correspond to a real situation where consumers of various countries are exposed to the same brand placed in the same media content as part of international promotion efforts.

Research Questions

Taking into consideration the discussion above, the present study proposes the following research questions (RQs). First, RQ1 examines how the framework presented in the preceding theoretical considerations (see Figure 1) could be applied to the product placement in the internationally released U.S. films.

RQ1: How film-related factors are associated with the number of brands placed in U.S. blockbuster films?

Second, given brands placed in U.S. block buster films released not only in the U.S. but also worldwide, it is still unclear if the placement is mainly targeted to the domestic or the international market in the first place. RQ2 addresses this point.

RQ2: Which market, whether domestic or international, is mainly aimed at by product placement in U.S. blockbuster films?

Finally, RQ3 explores what type of film is actually viewed by practitioners as an attractive platform for product placement to reach a large number of international consumers.

RQ3: What type of film is deemed appropriate for product placement as an international brand promotion tool?

Methodology

The research involved two phases to answer research questions. The correlations between variables related to film, namely film's genre, box-office revenue, and production budget, and product placement were analyzed for RQ1. In order to examine the rationale behind product placement in international blockbuster films and answer RQ2 and 3, interviews with practitioners who actually were engaged in product placement were conducted.

Data Collection

Although approximately 600 films are released each year in the U.S., the present study was focused on number-one box office films. They were considered to represent the films with the highest possibility of being released internationally and therefore would be potentially attractive to marketers wishing to reach international consumers. The film data were obtained from the online film database "Box Office Mojo." The database provides information on the genre of individual film, and such numerical values as each film's gross box-office revenues in both domestic (the U.S. and Canada) and international markets, as well as the production budget. The database is commonly referred to by both trade periodicals and academic research papers (e.g., Wiles & Danielova, 2009). In the 13-year period between January 2001 and December 2013, a total of 492 title films topped the U.S. box office. All but one title (a China/Hong Kong film "Hero" released in 2004) were either U.S. films or co-productions between the U.S. and other country(s). 491 number-one U.S. box-office films other than "Hero" were employed as samples for the present study.

All brand names appeared in the 491 films were obtained from "Brandchannel," a website which tracks product placement in each week's number-one U.S. box-office film. As a result, it was possible to identify 8,794 appearances by 2,718 brands in these 491 films. The 2,718 brands were then dichotomized by whether they are global brands or not, according to the annual ranking of top 100 global brands issued by "Interbrand," a UK-based consultancy specializing in valuing brands. Particular attention was paid to global brands here, since they were likely to obtain more benefit from the placement in internationally released films. The ranking is determined by a brand value based on three key aspects: the brand's financial performance; the brand's role in the purchase decision process; and the brand's strength to continue to secure earnings for the firm.

Note that the Interbrand rankings do not cover all global brands exhaustively. Interbrand stipulates that global brands must have a presence on at least three major continents, and broad geographic coverage in growing and emerging markets. In this regard, Volvo, Nikon, Lacoste, or CNN, to name a few, would be acknowledged as global brands, but none of them have been in the rankings in the past 13 years. In spite of this defect, however, a certain criterion was required for the present study to choose global brands. As such, it seemed reasonable to refer to Interbrand's ranking for this purpose, as Johansson and Ronkainen (2005) suggest that the high stature brands in Interbrand's top 100 are virtually all global in reach. 156 brands were ranked in the Interbrand's list at least once between 2001 and 2013, and 129 of the 156 brands appeared in number-one U.S. box-office films during the same time period.

Variable Operationalization

Out of all the brands placed in a film listed by Brandchannel, only those in the top 100 global brands listed by Interbrand between 2001 and 2013 were extracted and counted to estimate the presence of global brands in number-one U.S. box-office films. As film-related variables, the following numerical values were considered. The first one is a film's international box-office revenue. It does not include the box office in the U.S. and Canada, which is commonly known as "the domestic box office" in the U.S. film industry. Second, production budget literally denotes how much money is invested in the entire filmmaking process.

In assessing film genres, categorical variables were adopted. First, according to Box Office Mojo, 491 sample films were categorized into the following genres: comedy, action, horror, adventure, drama, animation, thriller, sci-fi, fantasy, romance, family, crime, period drama, sports, and other. Such genres as war, music, western, concert, musical, and documentary were grouped into the "other" category, because only five and fewer films were categorized as belonging to each of these genres. Then, the categorical variables identified whether each film did (1) or did not (0) belong to each of the relevant genres. Note that these categorical variables of genre are not exclusive of each other. Indeed, as conventional film genre has increasingly been broken down, many films are now considered as hybrids or crossbreeds, with two or more overlapping genres or sub-genres. In fact, 230 of the 491 sample films were categorized into two genres or as a hybrid genre (e.g., romantic comedy) by Box Office Mojo's categorization.

Interview

Following the results from the correlation analysis, interviews with practitioners were conducted so as to obtain more detailed, descriptive data related to their placement practices. As Taylor and Bogdan (1998) claim, interviewing provides a useful means of access particularly when researchers are interested in understanding the perceptions of participants. It appeared that opinions, thoughts, and ideas of practitioners responsible for product placement could be fully drawn only through interviews.

In order to recruit interview respondents, author's personal connection, as well as the membership list of the Entertainment Resource and Marketing Association comprised of placement professionals, was utilized. Then, some other respondents were generated by snowballing, that is, by asking respondents for the names of other interview candidates. Appendix 1 lists the name and title of 10 respondents. Face-to-face interviews were conducted with a president at the Tokyo-based affiliate of a major U.S. placement agency and professionals at a major Japanese advertising agency, who were involved in the placement business with major Hollywood studios; mail interviews were conducted with executives at U.S. placement agencies. Due to the difference in interview methods, the present study employed semi-structured interviews for the former and structured interviews for the latter. In both semi-structured and structured interviews, respondents were asked the same predetermined questions so that the similarities and differences between responses could be found and compared. Yet, only in semi-structured interviews, interesting comments unexpectedly introduced by respondents were occasionally followed in a flexible manner.

Results

Descriptive Statistics

Table 1 summarizes the genres in which the sample films were categorized. The most frequent genres were action, followed by comedy, horror, adventure, animation, drama, and thriller. The top three, five, and seven genres occupied 43.2%, 59.7%, and 73.5% of the total, respectively. Table 2 shows a breakdown of the ratio of the international to the worldwide box-office revenues for the sample films. 73.8% and 51.1 % of sample films had international box-office revenues exceeding 40% and 50% of worldwide box-office revenues, respectively, indicating the importance of international markets for U.S. films. Table 3 shows a breakdown of the number of brands placed in the sample films. While 64 films had no placement at all, 23 films featured 50 and more brands.

Association between Film-Related Factors and Placement

The correlations between variables related to film and product placement were analyzed for RQ1. Figure 2 and 3 are box plots outlining the number of global brands and that of non-global brands, respectively, by genre. Non-global brands are mainly comprised of U.S. domestic brands. The two box plots showed a similar distribution shape of data for each genre. As a whole, genres with more global brands also had more non-global brands, and vice versa; that is, both global and non-global brands were placed more in action, comedy, drama, thriller, romance, crime, or sports films, and less in animation, fantasy, or period films. The correlation ratios (η) representing the coefficient of nonlinear relationship between a categorical variable (i.e., genre) and a quantitative variable (i.e., the number of brands) were .541 for global brands and .522 for non-global brands, respectively, both of which denoted a moderate correlation. This would confirm the earlier discussion that the feasibility of product placement is more or less contingent on film genre.

As shown in table 4, global brand and non-global brand had a strong positive correlation (r = .855), implying films with more global brands were more likely to feature non-global brands. Both types of brands also had similar correlation coefficients with each of film-related variables. While there was a strong positive correlation between the international and the domestic box-office revenues (r = .734), negative correlations were found between the number of global brands and the international box-office revenue (r = -.229) and between the number of non-global brands and the domestic box-office revenue (r = -.136). It was inferred from this that films with more international box-office revenues did not necessarily feature more global brands, and films with more domestic box-office revenues did not necessarily feature more domestic brands.

At the same time, note that there could presumably be a spurious correlation between the number of brands placed and the box-office revenue, both of which were affected by genre. In fact, it seemed that global and non-global brands were placed together in a film, no matter whether the film was mainly targeted at the international market or the U.S. domestic market, as long as product placement fitted the setting of the film. This point would be addressed by interviews with practitioners later in the present study. Production budget had moderate positive correlations with international and domestic box-office revenues (r = .621 and .574, respectively) but weak negative correlations with global and non-global brands (r = -.133 & -.137, respectively).

Target by Placement in Internationally Released Film

RQ2 addresses which market (i.e. international or domestic market) is mainly aimed at by product placement in U.S. blockbuster films that may be internationally released. According to Respondent G, “Brand managers are looking for their brands to be in the highest amount of distribution possible. Seeking an international market release is best for any and all products.” On the other hand, Respondent F noted, “Global brands and domestic brands will, and should, certainly have different market objectives.” Similarly, Respondent J claimed, “Some brands find the global nature of Hollywood produced films appealing. For other brands, the exposure in the U.S. (or local) market is the priority.” According to Respondent E, “For many of the smaller brands we represent, this type of (worldwide) exposure is just a secondary benefit to getting to their main target audience in North America.” These comments seem to make theoretical sense in that brand managers are more likely to be highly motivated to place their brands in films released in country markets where those brands are marketed.

They, however, appear to be inconsistent with the inference from the previous correlation analysis that films with more international box-office revenues did not necessarily feature more global brands, and film with more domestic box-office revenues did not necessarily feature more domestic brands. Respondent A presumed, "Brand managers based in the U.S. are willing to place their brands in the U.S. films, as the potential effect of the exposure on them is somewhat measurable, but do not necessarily take into much consideration whether the films will be released worldwide or mainly only in the U.S." It would be reasonable to suppose that in many cases a particular brand, regardless of whether it is global or domestic, is placed in a film, simply because it fits the film. This is shown by the fact that global brands are often placed in comedy or romance films with less exportability.

Film Appropriate for International Brand Promotion Tool

Associated with RQ3 that addresses film types appropriate for product placement as an international brand promotion tool, Respondent A mentioned, "You should perceive as special the strategic placement scheme in the case of a handful of films that carefully take account of both international box-office revenue and brand exposure." According to Respondent B, these strategic placements distinctly differ from conventional placements in which a placement agency looks through a finished script, finds scenes fitting for placements, and provides a studio with as much relevant products to be placed as possible from a list of branded products the agency has an annual retainer deal with. The strategic placement is often a part of a large tie-in campaign based on an elaborate plan. In return for the payment for the placement scheme, producers and writers purposely make specific scenes or shots to show branded products, promising in what contexts and how long they are featured. It is important to note that, as Respondent C explained, because the international release plan for film is presented in such a strategic placement scheme, brand managers can confirm in advance if the film is to be released in specific overseas markets where they aim to market their brands.

Many U.S. films in which branded products are placed are exported to international markets with or without careful planning, and, as a consequence, international audiences in overseas markets could see the placed products on screen. Yet, the degree to which the placement functions as an international promotion tool for the brands would presumably be contingent on the above-mentioned strategic scheme to place brands attractively and impressively for international audiences. According to Respondents A, C, and H, films, which typically implement the strategic placement scheme, are franchise blockbusters, as represented by those of the James Bond franchise. Respondent H pointed out, "(For brand clients), we present estimates on the box office/audience release based on previous franchise properties or cross index by films sharing similar storylines and/or talent."

66 of 491 films sampled for the present study not only had the international box-office revenue of over $ 200 million but also were categorized into any one of the following genres compatible with product placement: action, comedy, drama, thriller, romance, crime, and sports. Of the 66 films, 36 featured more than 20 brands, and the 36 films contained such film franchises as "Spider-Man," "Men in Black," "James Bond," "Mission: Impossible," "Transformers," "Iron Man," and "The Fast & the Furious." Among a number of U.S. films, these franchise blockbusters are unique in a high likelihood of success in the international market on the one hand; on the other hand, they also guarantee the strategic placement in such a way as to develop a brand's appeal. Brand managers are expected to make various commitments in the tie-in partnership with franchise blockbusters, but, due to relatively a low risk of the box-office failure in the international market, those films are presumably preferred as a reliable vehicle for the international promotion.

Conclusion and Discussion

Conclusion

Although many U.S. films are released around the world, relatively little attention has so far been devoted to the fact that their international audiences are also exposed to the brands placed in them. Based on the assumption that blockbuster films released worldwide provide marketers with an international promotional platform to generate awareness or reinforce an image of their brands, the present study addressed the association between U.S. films and brands featured in them, with the aim of understanding product placement in the international context.

The results of the correlation analysis clearly showed that the number of brands, irrespective of global or not, placed in films increased in the case of action, comedy, drama, thriller, romance, crime, and sport and decreased in the case of animation, fantasy, period drama, and horror. At the same time, among the former genres, only action had a positive correlation with international box-office revenue, whereas the latter genres all had a positive correlation, verifying the cultural discount theory to some extent. As a rule, film genres with higher compatibility with product placement tend to have less international box-office revenue, and vice versa. Action is an exceptional genre in this regard, but in many other genres, there appears to be a trade-off between a film's exportability and its compatibility with product placement.

Brand marketers might fully understand the value of being related to a film that would be released in overseas markets. The problem and dilemma for them then is that only a few films could provide them with international audience and compatibility with placement, both of which are supposed to be indispensable prerequisites for their brands to be promoted worldwide. Consequently, at the present situation, a handful of franchise blockbusters, which pursue synergetic tie-ins as a hub of commercial opportunity and brand exchange, are relied on by brand managers who expect to utilize product placement as a part of their international campaigns. The James Bond franchise is a typical example which implements the strategic product placement and therefore motivates brand managers to make a huge investment in placing their brands in the films.

Discussion

The present study has been focused so far on the association between internationally released U.S. blockbuster films and brands placed in them. On the other hand, it should also be discussed that the placement in those U.S. films might no longer be the only choice for the international promotion of brands. There are some interesting recent cases of this whereby global brands are placed in Chinese films that have been largely made for Greater China. A Chinese romantic comedy “Color Me Love” (2010) featured such global brands as Apple, Diesel, Cartier, and Versace, showing the potential of product placement to advertise upscale brands in China (MirriAd, 2012). Interestingly, a similar trend has also been witnessed in other countries, notably in emerging market economies. Countless Hindi-language films, otherwise known as Bollywood films, generate valuable opportunities for product placement, and global brands are prominently shown in these films today (Nelson & Deshpande, 2013; Sukhbinder, 2005).

The factors underlying the above situation are presumably the following. First, as consumer markets in developed countries have become saturated with slow growth rates, many firms are looking for new growth opportunities in emerging markets. In these markets, the middle-class has emerged as a segment large enough to constitute a market for global brands (Douglas & Craig, 2011). Second, benefiting from accelerated economic growth, the domestic audiovisual industry in these markets have become more brisk and attracted a larger local audience, as seen in the success and popularity of Chinese or Bollywood films, or Brazilian soap operas known as telenovelas. Third, product placement has had increasing impact in emerging economies such as China, India, Russia, and some South American countries. In fact, PQ Media (2012) reported that global product placement spending increased 11.7% to $8.25 billion in 2012. The global spending is being driven by emerging economies, where product placement agencies have been established in order to integrate brands more effectively into scripts. These three environmental factors encourage marketers to place global brands in local media content to reach larger local audiences.

With these trends in mind, some marketers might begin to question the necessity or effect of a "one-placement-fits-all" approach for their brands. It was assumed earlier that it would be more cost-effective to reach consumers around the world with placement in a film released worldwide. Besides, it is true that global brands in films are easily recognizable to a number of worldwide audiences regardless of cultural and language differences. At the same time, it should also be noted that, in spite of the vision of delivering the same characteristics and associations to the customers of different countries, they would not necessarily interpret the meaning of a particular global brand in the same way. Rather, people might attach their own values to the brand, and, accordingly, a scene including the brand could be perceived differently from the marketer's expectation in some countries' markets. Additionally, some practical difficulties can often exist in coordinating worldwide placement promotions, due to differences in a film's release date and the availability of brands appearing in the film among countries.

Meanwhile, another interesting trend has occurred in the relationship between media content and product placement in the international context. A new episode of the Transformers franchise, "Transformers: Age of Extinction" (2014), featured some Chinese brands, including Guangzhou Auto Group's car and Shuhua's milk, to name a few. This type of arrangement seems beneficial to both Chinese local brands and U.S. films. For Chinese firms which have yet to gain recognition overseas, U.S. blockbusters are likely to provide an effective way to boost their brand profile in the world marketplace for a relatively short period of time. On the other hand, it is also important for U.S. film producers to place Chinese brands in their films. Aside from fees paid for their placement, collaboration with Chinese firms might assure them of reaching an enormous audience in China. In fact, "Transformers: Age of Extinction," a co-production between the U.S. and China, became the highest-grossing film in China's box office history. Some of practitioners interviewed for the present study, such as Respondents C and H, underscored that in the partnership deal with a particular film, an increasing number of brands attach the importance to the film's release in China. Although a case observed here is about China, other emerging economies may experience similar things to what has happened in China to various degrees.

It seemed that product placement aimed at international audiences was largely confined to a handful of U.S. films and the global brands placed in them. In reality, however, this trend has changed in recent years. As seen in Figure 2, global and local brands, and films released internationally and mainly domestically, are intermingled with each other in a pluralistic way, yielding several product placement combinations. The present study suggests the beginning of these phenomena, and how they will evolve should be observed carefully and continuously.

Limitations and Future Research Directions

The present study, which has been carried out as an exploratory first step to investigate product placement in the international context, has several limitations, but which also provide interesting avenues for future research. First, as mentioned earlier in the data collection section, global brands sampled for the study do not cover all global brands exhaustively, but are rather considered representative of global brands, as based on their values. Presumably, one conclusive measure of brand globalness is the number of countries where the brand operates. This kind of data is certainly available on some firms' websites, but not all.

Second, such numerical value as the number of countries where each film was released was missing. Box Office Mojo provides a list of countries for many of the sample films, but the data are incomplete. Combining a thorough list of countries where films are released alongside an aforementioned list of countries where brands operate would shed more light on the association between brands and film markets.

Further research in this area should be undertaken in more consideration of actual consumers' viewpoints so as to validate the findings of the present study. There remains a paucity of empirical research focused on real-life situations, where consumers of various countries are exposed to the same brand placed in the same film as part of international promotional efforts. It might be interesting and significant to explore how differently (or similarly) a brand featured in a particular film released worldwide – for example, Heineken in “Skyfall” – is perceived by audiences across countries. It is significant to understand how their interpretations influence and change the meanings associated with a placement of a given global brand. A cross-cultural comparative research focused on this aspect should be conducted to assess any cultural or environmental factors that can boost or limit the development and practice of international brand placement.

Figure 1: Analytical Framework for Placement in Internationally Released Films

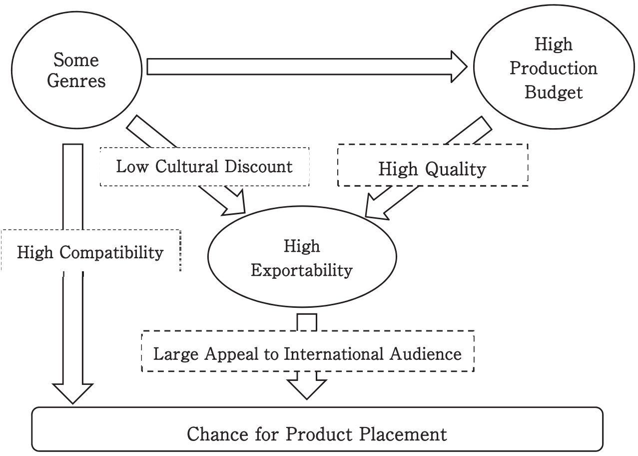

Figure 2: Box Plot of the Number of Global Brands by Genre

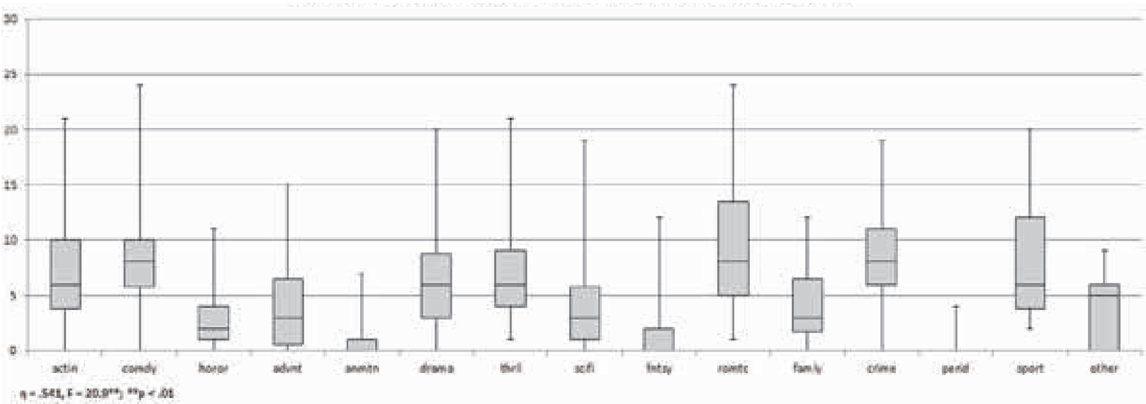

Figure 3: Box Plot of the Number of Non-global Brands by Genre

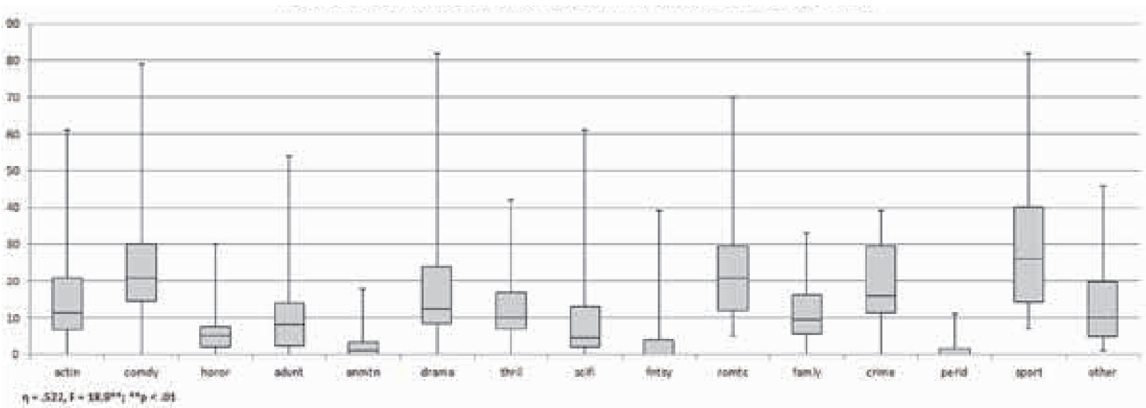

Figure 4: Placement Combination between Global/Local Brand and Film

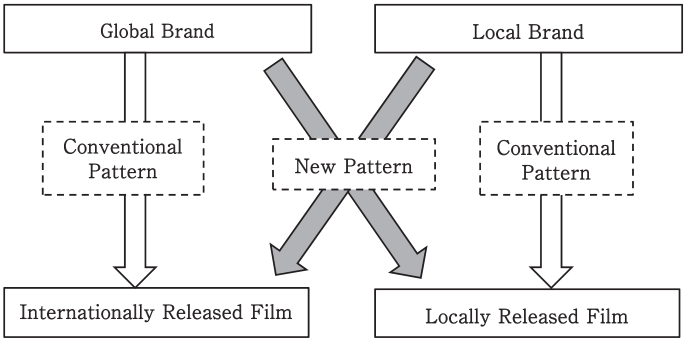

Table 1: Genre of Sample Films

	Frequency	%
Action	125	17.3
Comedy	120	16.6
Horror	67	9.3
Adventure	67	9.3
Animation	52	7.2
Drama	50	6.9
Thriller	50	6.9
Sci-Fi	42	5.8
Fantasy	31	4.3
Romance	27	3.7
Family	24	3.3
Crime	19	2.6
Period Drama	19	2.6
Sports	12	1.7
Other Genre	16	2.2

Note: 230 films are categorized into two genres.

Table 2: Ratio of International to Worldwide Box-office Revenue in Sample Films

	Frequency	%
<20%	36	7.4
20%-<30%	34	7.0
30%-<40%	57	11.7
40%-<50%	111	22.7
50%-<60%	131	26.8
60%-<70%	87	17.8
70%+	32	6.5

Note: Data for 3 films are missing.

Table 3: Number of Brands Placed (per Film)

	Frequency	%
0	64	13.0
1-9	130	26.5
10-19	111	22.6
20-29	83	26.9
30-39	47	9.6
40-49	33	6.7
50+	23	4.7
Mean (SD)	17.91 (17.04)	

Table 4: Correlation Coefficients between Brand Appearance and Variables Retated to Film

	Global Brand	Non-global Brand	Int BO Revenue	Dom BO Revenue	Prod Budget
Global Brand	-				
Non-global Brand	.855**	-			
Int BO Revenue	-.229**	-.237**	-		
Dom BO Revenue	-.146**	-.136**	.734**	-	
Prod Budget	-.133**	-.137**	.621**	.574**	-

Note：Int = International, Dom = Domestic, BO = Box Office, Prod = Production; **p < .01

Appendix 1: List of Interviewees

#	Organization & Title	Location	Interview Style
A	Ad Agency, International Motion Picture Dept, Manager	Japan	Face-to-face
B	Ad Agency, Communication Design Center, Planner	Japan	Face-to-face
C	Placement Agency, Tokyo-based Affiliate, President	Japan	Face-to-face
D	Placement Agency, Principal Owner	U.S.	Mail
E	Placement Agency, President	U.S.	Mail
F	Placement Agency, Founder	U.S.	Mail
G	Placement Agency, President	U.S.	Mail
H	Placement Agency, Chief Executive Officer	U.S.	Mail
I	Placement Agency, Presitent	U.S.	Mail
J	Placement Agency, Vice President of Global Production	U.S.	Mail

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Acknowledgement

The author wishes to thank Professor Samuel Craig at the Stern Business School of New York University for his insightful and constructive comments. This work is based on a research project supported by grants from Bukkyo University and Hoso Bunka Foundation.

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2015 年 10 月 28 日受理